GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3684
ANSWERED ON:12.12.2002
PRODUCTION OF CRUDE OIL GAS
RAMJI MANJHI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether the Government are aware that despite expenditure of Rs. 40,000 crore during Eighth Five Year Plan, the Government had provided plan outlay of Rs. 75,000 crore in the Ninth Five Year Plan;

(b) if so, the reasons therefor;

(c) whether physical targets for crude oil/Gas production etc. have not been enhanced proportionately to the quantum of increase in approved Ninth Plan outlay; and

(d) if so, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Information is given in the statement annexed.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 3684 BY SI RAMJEE MANJHI TO BE ANSWERED ON 12th DECEMBER, 2002 REGARDING PRODUCTION OF CRUDE OIL/GAS

(a) to (d): During the Eighth Five Year Plan against an outlay of Rs. 24,000 crores the cumulative expenditure was Rs. 40,452.94 crores. The enhanced outlay for the Ninth Five Year Plan was Rs. 78,401 crores mainly due to the following reasons:

(i) Acceleration of exploration efforts especially in high cost deep water offshore and frontier areas;

(ii) Acquisition of acreages abroad to secure equity oil and gas;

(iii) In order to arrest decline of production from the existing fields, improved reservoir management practices and to increase recovery factor, a number of Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) projects were to be undertaken by Oil and Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL);

(iv) Creation of adequate domestic refining capacity;

(v) Augmentation and upgradation of marketing and distribution facilities;

(vi) Improvement of product quality; and

(vii) Setting up of strategic tankages for ensuring supply of crude oil and petroleum products.

Due to enhanced outlay over the Ninth Plan, ONGC and OIL have been able to arrest the natural decline from the existing major fields by undertaking EOR and IOR projects.In exploration of oil and gas, there may not be a direct correlation between expenditure and reserve accretion as exploration outcomes are some what uncertain due to inherent geological risks.